

Document #4830

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HOUSING LOAN AGREEMENT

Housing Loan Agreement, dated as of October __, 1986 (this "Agreement"), by and between the BOSTON REDEVELOPMENT AUTHORITY, a public body politic and corporate under Massachusetts General Laws, Chapter 121B (the "Lender"); and CASS HOUSE ASSOCIATES LIMITED PARTNERSHIP, a Massachusetts limited partnership (the "Owner").

PRELIMINARY STATEMENT

The Lender has received funding in the amount of Seven Hundred Thousand Dollars (\$700,000) from Lincoln Property Company (the "Donor") as a voluntary contribution to the Lender. The Lender has committed to loan to Owner Seven Hundred Thousand Dollars (\$700,000) for the purposes set forth below (the "Funds").

In order to provide new housing in Boston, Massachusetts, including units available to low income persons or families (as defined hereinbelow), the Lender will loan the Funds to the Owner to finance, in part, the expense of the operation of a rental housing project containing 41 dwelling units at one location and 70 dwelling units at a second location (the "Project", as hereinafter defined) on parcels of land owned by Lender and to be acquired by the Owner and designated as Delivery Parcels H-9B, I-6A, I-6B, I-6C and I-6D in the Washington Park Urban Renewal Area, Mass Project R-24 located in the Roxbury District of Boston, Massachusetts, and more particularly described in Exhibit A attached hereto (the "Land"; the Land and the improvements now or hereafter existing thereon are collectively called the "Property"). The Owner will borrow at least Six Million Nine Hundred Thousand Dollars (\$6,900,000) from the Massachusetts Housing Finance Agency for the construction of the Project. The cost of operating the Property shall be covered in part by the proceeds of investment of the Funds in a level payment annuity, thereby enabling the Owner to decrease rents on a portion of the units to bring them within the reach of low income persons or families.

In addition, in order to facilitate the acquisition of the land to permit the Project to go forward, the Lender will make a purchase money loan to the Owner in the amount of One Hundred Fifty-Eight Thousand Dollars (\$158,000) which represents a portion of the total cost to the Owner to acquire the Land from the Lender.

In consideration of the foregoing, the Owner and the Lender hereby agree as follows:

1. DEFINITIONS

(a) "Architect" shall mean Richard Walwood Associates, Inc., having an address at 495 Blue Hills Parkway, Milton, Massachusetts 02186, or another architect designated by the Owner (or its successor).

(b) "Commencement Date" shall mean the date of this Agreement.

(c) "Completion Date" shall mean the date which is sixteen months after the date of this Agreement, as the same may be extended pursuant to the provisions of Section 16(d).

(d) "Completion of the Project" shall mean the substantial completion of the Improvements, as such term is hereinafter defined, so as to make the Improvements ready for use for the purposes set forth in this Agreement, except (i) incomplete items which do not materially interfere with the use of the Improvements for such purposes; and (ii) items awaiting seasonable opportunity to complete, as certified in writing to the Lender by the Architect. "Substantial completion" shall mean issuance by the City of Boston of an initial or temporary certificate of occupancy and certification by the Architect that substantial completion has been achieved under the terms of the construction contract.

(e) "Development Phase" shall mean the period from the Commencement Date to the Completion Date.

(f) "Funds Loan" shall mean the loan of the Funds by the Lender to the Owner in the amount of Seven Hundred Thousand Dollars (\$700,000) pursuant to this Agreement.

(g) "Funds Mortgage" shall mean the mortgage given by the Owner, as mortgagor, to the Lender, as mortgagee, to secure the Funds Note, as such term is hereinafter defined, which mortgage shall be in the form attached hereto as Exhibit B.

(h) "Funds Note" shall mean the promissory note given by the Owner to the Lender to evidence the Funds Loan and the Land Loan, which promissory note shall be in the form attached hereto as Exhibit C.

(i) "Funds Security Agreement" shall mean the Security agreement between the Owner, as debtor, and the Lender, as

secured party, to secure the Funds Note, which security agreement shall be in the form attached hereto as Exhibit D.

(j) "Improvements" shall mean the construction, furnishing, and equipping of the Project, as described in the plans and specifications prepared by the Architect and set forth in Exhibit E hereto (the "Plans"), as the same may be modified by change orders approved, if required, by MHFA (as such term is hereinafter defined) or the Lender or both.

(k) "Land Loan" shall mean the purchase money Loan of One Hundred Fifty-Eight Thousand Dollars (\$158,000) to finance in part the acquisition of the Land pursuant to this Agreement.

(l) "Low Income Persons or Families" shall mean those persons or families whose annual income is equal to or less than the maximum amount which would make them eligible for units owned or leased by the Boston Housing Authority or which is established as the maximum for eligibility for low-rent units by the Department of Community Affairs of the Commonwealth of Massachusetts.

(m) "Low Income Units" shall mean those units or apartments in the Project occupied by Low Income Persons or Families.

(n) "MHFA" shall mean the Massachusetts Housing Finance Agency or any successor Agency.

(o) "MHFA Mortgage" shall mean any and all funds by MHFA advanced to fund the development, construction, operation and maintenance of the Project and secured by a Mortgage from Owner to MHFA. The term MHFA Mortgage shall include funds advanced by MHFA to the Owner pursuant to the State Housing Assistance for Rental Production ("SHARP") program. The parties hereto specifically acknowledge that all sums advanced by the Lender are subordinated to the MHFA Mortgage and any subsequent increases of the MHFA Mortgage.

(p) "Operations Phase" shall mean the period from the Completion Date to the maturity or payment in full of any sums due with respect to the Funds Loan and the Land Loan.

(q) "Permitted Uses" shall mean (i) One Hundred Eleven (111) dwelling units of which twenty-five percent (25%) of the units shall be for low income persons and families; and (ii) parking for approximately, one hundred forty-five (145) automobiles.

(r) "Project" shall mean the construction, furnishing, equipping, operation, maintenance, and use of the Improvements as described, and for the uses, activities, and purposes set forth herein and in the MHFA Loan Documents, as that term is hereinafter defined.

(s) "Sustaining Occupancy" shall mean the date on which Ninety-Five Percent (95%) of the dwelling units in the Project are first occupied by tenants under a written lease with the Owner providing for monthly rents at the amounts permitted by MHFA.

2. COMPLETION OF THE PROJECT

(a) Construction. The Owner shall construct diligently and continuously, beginning on (or, if the Lender and MHFA so permit, before) the Commencement Date, and substantially complete the Improvements. Completion of the Project shall occur on or before the Completion Date.

(b) Cost of Project. The Owner shall expend at least Six Million Nine Hundred Thousand Dollars (\$6,900,000) from the proceeds of the MHFA Loan, as hereinafter defined, for all activities necessary for Completion of the Project for the Permitted Purposes and leasing thereof, subject to reduction (or increase) as a result of cost savings (or increases) and/or change orders approved, if required, by MHFA or the Lender or both. In addition, the Owner expects to expend substantial additional sums which are not funded by the MHFA Loan including: the Required Equity Amount, as defined in Section 4 hereof; the balance of the cost of acquisition of the land from the Lender; and the cost of providing various amenities to the community, including a tot lot and parking.

(c) Amendments and Change Orders. During the Development Phase, and so long as the Agreement shall remain in effect, no contract which is required to be submitted to and approved by MHFA (including this Agreement) shall be amended in any material respect after such approval, without the prior written consent of MHFA and Lender. For purposes of the immediately preceding sentence, "material" shall mean anything in the control of the Owner which cancels or reduces any development or financial obligation of the Owner by more than Ten Percent (10%), changes the sites or character of any development activity, or increases the time for performance by the Owner by more than Thirty (30) days. In addition, any changes in the Plans shall be subject to the Lender's prior written approval, all in accordance with Section 302(b) of that certain Land Disposition Agreement by and between the Lender and the Owner dated of even date herewith and recorded with Suffolk County

Registry of Deeds and filed with Suffolk County District of the Land Court (the "Land Disposition Agreement").

(d) Other Obligations of the Owner. During the Development Phase, the Owner shall comply with the following provisions:

(i) The Project shall be developed in accordance with all applicable provisions of the Massachusetts State Building Code, 780 C.M.R. Sec. 100 et. seq., and with all applicable provisions of any local building code.

(ii) Upon Completion of the Project, the Owner shall submit to the Lender a written certification, executed by an authorized representative of the Owner, stating that all development-related activities required to be completed by the Owner in accordance with this Agreement have been completed consistent with the terms of this Agreement, and specifying the date of such completion and the actual cost to the Owner of labor, materials and necessary services for the construction of physical improvements for the Project in the format prescribed by MHFA.

(e) The Owner hereby warrants to the Lender that the Owner has obtained, or has reasonable assurance that it will obtain, all Federal, state and local governmental approvals and reviews required by law to be obtained by the Owner for the Project.

3. OPERATION OF THE PROJECT

(a) Permitted Uses. Subject to the provisions of Section 3(b) hereof, during the Operations Phase, the Project shall be used for the Permitted Uses.

(b) Operation of the Project. During the Operations Phase, the Owner shall comply with the following provisions:

(i) During the Fifteen (15) year period from the date on which dwelling units in the Project are first available for occupancy, dwelling units in the Project shall be maintained as rental units and shall not be converted to condominium ownership or to a form of cooperative ownership. After such fifteen year period, any such conversion shall be governed by the provisions of Section 6 of this Agreement.

(ii) The Owner shall not discriminate against prospective tenants on the basis of their receipt of, or

eligibility for, housing assistance under any Federal, state or local housing assistance program or on the basis that they have a minor child or children who is and/or will be living with them.

(iii) Low Income Units shall be leased to Low Income Persons or Families, and shall be twenty-five (25%) percent of the units.

(iv) Rentals for Low Income Units and tenant income eligibility shall be determined in accordance with applicable MHFA regulations.

(v) The Owner shall at all times comply with the provisions of any mechanism for adjustments of rentals established by MHFA from time to time.

(vi) The Owner shall from time to time, as required or permitted by MHFA, recalculate the maximum monthly rent to be charged.

(vii) Marketing shall be done in accordance with City of Boston and the MHFA-approved Affirmative Fair Housing Marketing Plan and all fair housing and equal opportunity requirements.

(viii) All management and maintenance functions, including selection of tenants, reexamination of family income, evictions and other terminations of tenancy, and all ordinary and extraordinary maintenance and repairs, including replacement of capital items, shall be performed in compliance with applicable equal opportunity requirements.

(ix) As more particularly set forth in Section 11 hereof, any duly authorized representative of Lender shall, at all reasonable times, have access to the Project subject to the rights of tenants and occupants.

(x) Within the one hundred twenty (120) days following the end of each fiscal year of the Project, the Lender shall be furnished with a complete annual financial report for the Project based upon an examination of the books and records of the Owner containing a detailed, itemized statement of all income and expenditures, prepared and certified by a Certified Public Accountant in accordance with the reasonable requirements of MHFA which include (i) the income statement submitted on an MHFA format, and (ii) the financial report on an accrual basis and in conformity with generally accepted accounting

principles applied on a consistent basis. A duly authorized agent of the Owner must approve in writing such submission.

4. AGREEMENT TO LEND AND BORROW

(a) The Lender agrees to lend to the Owner, and the Owner agrees to borrow from the Lender, (i) the principal amount of Seven Hundred Thousand Dollars (\$700,000) from the Funds and (ii) the principal amount of One Hundred Fifty-Eight Thousand Dollars (\$158,000) to finance in part the acquisition of the Land, pursuant and subject to the provisions of this Agreement. The Funds Loan and the Land Loan shall be evidenced by the Funds Note, and shall be secured by the Funds Mortgage and the Funds Security Agreement. The Funds Loan shall be repaid with interest at the rate and upon the terms set forth in the Funds Note. The Land Loan shall be repaid without interest upon the terms set forth in the Funds Note.

(b) The proceeds of the Funds Loan shall be advanced upon closing of the MHFA Loan.

(c) At the time of the advance of the Funds Loan, the Owner shall deposit the proceeds of the Funds Loan in an interest-bearing account or accounts, acceptable to MHFA, until Completion of the Project. In addition, the Owner shall deposit One Hundred Thousand Dollars (\$100,000) in cash in such account or accounts (the "Required Equity Amount"). Upon Completion of the Project, the Funds Loan and the Required Equity Amount on deposit in such account or accounts, together with all interest earned thereon, shall be invested by or in a manner designated by MHFA, which investment shall yield fifteen equal annual payments consisting of interest on principal and a partial return of principal (the "Annuity") in the approximate amount of \$120,000 for a term of 15 years from the Completion of the Project, such annual payments to be applied as required by MHFA and hereunder to the cost of operating the Project in order to decrease rents for the units to bring them within the reach of Low and Moderate Income Persons or Families resident in the City of Boston.

(d) If Completion of the Project does not occur within twenty-four (24) months of the Commencement Date, as such time may be extended pursuant to the provisions of Section 16(d), principal and interest on the Funds Loan shall be immediately due and payable at the option of the Lender exercisable by written notice to the Owner.

5. CONDITIONS PRECEDENT TO ADVANCE

Prior to the advance of the Funds Loan and the transfer of the Land hereunder, and as a condition of the Owner's right to receive the proceeds of the Funds Loan and the Land Loan, the Owner shall furnish to the Lender:

(a) An opinion of the Owner's counsel addressed to the Lender that the Funds Mortgage given or to be given hereunder shall be, or shall continue to be, a good and valid mortgage of record subject only to the matters disclosed in the Lender's policy of title insurance referred to in Section 5(g) of this Agreement;

(b) Evidence that (i) MHFA has executed all documents relative to a loan for at least Six Million Nine Hundred Thousand Dollars (\$6,900,000) to the Owner, subject to the terms and provisions of standard MHFA loan documents, to finance, in part, the construction of the Improvements (the "MHFA Loan"); (ii) MHFA has loaned to the Owner an initial sum of at least Three Hundred Seventy-Five Eight Hundred Seven Dollars (\$375,807), to be available to the Owner in the first year of occupancy of the Project, with decreasing amounts available in each of the following years for a fifteen year term under the Massachusetts State Housing Assistance for Rental Production ("SHARP") program, subject to the terms and provisions of standard SHARP loan documents, to be used for the purposes permitted by MHFA (the "SHARP Loan");

(c) A copy of the Owner's contract with the general contractor for the construction of the Project;

(d) Copies of all payment, performance and lien bonds, if any, given by the general contractor referred to in Section 5(c) hereof;

(e) A mortgagee's or specimen commitment for a policy of title insurance insuring the Lender's interest in the Property issued by a responsible title insurance company licensed to do business in the Commonwealth of Massachusetts, in form reasonably satisfactory to the Lender;

(f) A certificate of builder's risk property insurance as required by MHFA;

(g) An opinion of counsel to the Owner addressed to the Lender as to the Owner's authority to enter into, and the due execution and delivery by, and the validity and binding effect on, the Owner of this Agreement and of all documents,

instruments, certificates and agreements contemplated hereby to which the Owner is a party.

6. MAINTENANCE OF LOW-INCOME STATUS FOR PROJECT

(a) Beginning in the sixteenth year following Completion of the Project, so long as the dwelling units in the Project are maintained as rental units:

(i) The Owner shall maintain twenty-five percent of the units for occupancy by Low Income Persons or Families until the Funds are repaid.

(ii) After repayment of the Funds Loan and the Land Loan; the Owner shall maintain twenty-five percent of the dwelling units for occupancy by Low Income Persons or Families to the extent funds to subsidize operating expenses are provided by the Federal or state government, MHFA, the Lender or similar source or program. The Owner agrees to use its best efforts to secure such subsidies and to accept such subsidies from any such source including from the Lender in the event that the Lender, in the exercise of its sole discretion, decides to apply the proceeds of repayment of the Funds Loan to such a purpose.

(b) Beginning in the sixteenth year following Completion of the Project and during the term of the Funds Loan, the Owner shall have the right to convert all or a portion of the Project to a condominium or cooperative form of ownership for sale to owner-occupants subject to the provisions of the Boston Condominium Conversion Ordinance as in force at the time of execution of this Agreement (a copy of which is attached hereto as Exhibit F) with specific reference to the provisions thereof requiring one year's notice to tenants, the right of first refusal granted to tenants and the protections provided to low income tenants therein and subject to all Federal, state and local laws and regulations applicable at the time to any such conversion to the extent greater protections are afforded to tenants. The Owner also agrees to use its best efforts to work both on its own and with the Lender to acquire funds from the Federal or state government, MHFA, the Lender or a similar source, or to establish a program or to use other available means to achieve the sale of up to twenty-five percent (25%) of the units so converted to buyers who qualify as Low Income Persons or Families. In particular, sales to then current residents of the Project, including Low Income Persons or Families, will be a goal of any such efforts. At the option of the Lender, principal and interest on the Funds Loan shall be immediately due and payable upon such conversion.

7. RIGHTS OF MHFA

(a) MHFA shall be entitled, upon succeeding to any of the interest in the Project of the Owner, whether by foreclosure of the MHFA Mortgage, deed in lieu of foreclosure, or otherwise, to receive any undisbursed balance of the Funds Loan and the Land Loan so long as MHFA agrees in writing with the Lender, upon succeeding to the interest of the Owner in the Project, to complete construction of the Improvements and to repay the Funds Loan and the Land Loan, all on the terms and conditions set forth in this Agreement. Such terms and conditions shall include, without limitation, (i) that payments of debt service required under the Funds Note shall be made after payment of all debt service secured by the MHFA Mortgage, which shall include payment to MHFA of a return on MHFA's Investment (as such term is defined in Section 7(c)) equal to the interest rate provided in the instrument evidencing the MHFA Loan and secured by the MHFA Mortgage as well as after payment of interest, if any, due and payable with respect to the SHARP Loan and all other costs and expenses of the Project; and (ii) that neither MHFA nor any of its members, officers or employees, shall be personally liable for such completion or for repayment of the Funds Loan or the Land Loan.

(b) If MHFA determines to sell the Project to a third party, whether at foreclosure or subsequent to succession of MHFA to all or any part of the interest of the Owner in the Project, the Lender will not unreasonably withhold its consent to substituting such third party for the Owner for all purposes under the terms hereof, provided such third party enters into an agreement that is substantially similar to this Agreement. In the event of such substitution, the terms and conditions of the Funds Mortgage relative to acceleration of the Funds Note upon sale of the Project shall not be applicable to that substitution.

(c) "MHFA's Investment" shall mean all sums secured by the MHFA Mortgage as of the time of acquisition of the Owner's interest in the Project by MHFA, plus interest on all such sums at the rate of interest provided in the instrument evidencing the MHFA Loan and secured by the MHFA Mortgage, together with interest, if any, due and payable with respect to the SHARP Loan, less any sums deemed repaid as debt service as contemplated by Section 7(a) hereof, to the extent received by MHFA.

(d) If a sale to and substitution of a third party is made in accordance with the terms of Section 7(b) hereof, the Funds Mortgage shall, at the election of MHFA, be subordinated to a purchase money mortgage in favor of MHFA, so long as the

MHFA Mortgage is fully discharged upon the sale to such third party at foreclosure in accordance with the terms of Section 7(b) hereof.

(e) The Lender shall give written notice to MHFA of any default by the Owner under this Agreement, the Funds Note, the Funds Mortgage, or any other instrument given to evidence or secure the obligations of the Owner hereunder, and shall have the longer of (i) the time period provided to the Owner; or (ii) such time as is reasonably necessary, to cure such default prior to the exercise by the Lender or any other party of any remedies on account of such default.

8. PROTECTION OF THE LENDER'S MORTGAGE INTEREST

(a) The Lender acknowledges that the Funds Mortgage shall be subject and subordinate to the lien of the MHFA Mortgage. The Owner shall pay and perform when due all of its obligations under or secured by the MHFA Mortgage or any Refinancing Mortgage (as such term is defined in Section 10(b) hereof), and shall pay, when due, all sums for labor, materials, fixtures, equipment, supplies, and services used or purchased in connection with construction, maintenance, and operation of the Project. The Owner shall at all times keep the Project free from any attachment, lis pendens, mechanics' or other liens or notices arising from the furnishing of labor or materials, and from all other liens and encumbrances of any kind, except as permitted by this Agreement and as may otherwise be authorized in writing by the Lender. Notwithstanding the foregoing provisions of this Section 8(a), the existence of an attachment of the Funds Loan, lis pendens, or other such lien or notice for a period not in excess of Thirty (30) days shall not be deemed to be a default by the Owner hereunder if there shall be no cessation of construction or operation of the Project and the Owner is not otherwise in default hereunder and shall, within such thirty-day period, commence to cause such attachment, lis pendens, lien or notice to be removed and thereafter diligently prosecute such removal to completion.

(b) Except as hereinafter limited, the Lender may, after giving the Owner ten (10) days prior written notice, pay such amount as may be necessary to cause to be discharged any encumbrances (except the MHFA Mortgage and any Refinancing Mortgage), any sums due or claimed to be due for labor or materials furnished, and any other sums which in the reasonable opinion of the Lender are necessary to pay in order to secure its interest in the Project, and may take such other and further action as it may reasonably deem necessary to protect the Funds Loan. The Lender will not pay any sum as to which the Owner informs the Lender in writing that there is a bona

fide dispute, provided the Lender reasonably determines that the failure to pay such amount will not materially impede or prevent performance by the Owner of its obligations hereunder and, as to future advances of any portion of the Funds Loan hereunder, the Lender is satisfied that it has or can be given such assurances against such unpaid claims as it may reasonably require. Any amounts so paid, together with interest thereon from the date of payment by the Lender at the same rate as then currently paid by the Lender for borrowing money, may be charged against sums due the Owner hereunder as the Lender may see fit or may otherwise be collected from the Owner upon demand and the Owner agrees to repay to the Lender all such moneys, notwithstanding that the aggregate indebtedness of the Owner to the Lender hereunder may exceed the aggregate amount of any portion of the Funds Loan which the Lender is obligated to advance under this Agreement.

(c) Without limiting the generality of the foregoing, the Lender may make any payment it deems necessary or expedient to cure any default by the Owner under the MHFA Mortgage or any Refinancing Mortgage for the purposes and upon the terms and conditions set forth in Section 8(b). The Owner shall give written notice to the Lender of any declaration of default received by the Owner from MHFA or the holder of any Refinancing Mortgage. The Owner shall use all reasonable efforts to obtain an agreement by MHFA or the holder of any Refinancing Mortgage to give the Lender notice of any default by the Owner under the MHFA Mortgage, any Refinancing Mortgage or any instrument secured thereby and the opportunity to cure such default within the same cure period given to the Owner thereunder.

(d) The Owner shall execute such instruments as the Lender may from time to time request to perfect and maintain any security interest of the Lender arising under this Agreement, the Funds Note, the Funds Mortgage or the Funds Security Agreement.

9. ASSIGNMENT OF AGREEMENT

The Owner shall not make or suffer any attachment, whether by trustee process or otherwise, against its interest in this Agreement or any payment hereunder and shall not, without the prior written consent of the Lender, assign or transfer this Agreement or any interest herein or right to payment hereunder, except for an assignment to MHFA to secure the MHFA Loan.

10. TRANSFER OF PROJECT; REFINANCING

(a) The Owner shall not, without the prior written approval of the Lender, make or permit any sale, conveyance,

assignment, encumbrance (except the encumbrances set forth in the Lender's policy of title insurance referred to in Section 5(e) and as otherwise permitted hereby), lease or sublease (except as contemplated by Section 3 hereof and, if required, approved by MHFA), extension of a lease or sublease (except as contemplated by Section 3 hereof and, if required, approved by MHFA), or other transfer or disposal of all or any part of its legal or (except for sales of limited partnership interests in the Owner) beneficial interest in the Project or interests included therein which are described in the Funds Mortgage or the Funds Security Agreement as security for the performance of the Owner's obligations thereunder or under the Funds Note or this Agreement; provided, however, that the Lender shall not unreasonably withhold its approval of the sale or transfer by the Owner of its interest in the Project to a party with similar or greater experience and competence in the field of owning and managing mixed income housing where such party agrees to execute a housing loan agreement, a promissory note, a mortgage and a security agreement, all substantially on the terms set forth herein and in the Exhibits hereto.

(b) The Owner shall have the right, at any time and from time to time, without the consent of the Lender, to (i) sell or resell limited partnership interests in the Owner (a "Syndication"), and (ii) grant a mortgage or mortgages on its interest in the Project to secure a loan or loans made to pay off all or any portion of the debt secured by the MHFA Mortgage or to refinance the Project (a "Refinancing"), provided that such Refinancing shall be in an amount not exceeding the amount of the MHFA Mortgage or any increases thereof. The Lender shall execute and deliver to the Owner any and all instruments reasonably deemed necessary by the Owner to subordinate the Funds Mortgage to the mortgage or mortgages granted in connection with a Refinancing (a "Refinancing Mortgage"). Any Syndication after the initial Syndication shall be subject to the additional interest provisions contained in the Funds Note.

11. INSPECTION OF PROJECT

During the Project Term, duly authorized representatives of the Lender shall, upon reasonable notice, have the right to enter the Project during reasonable business hours and, subject to the rights of tenants and occupants of the Project, to inspect materials on the Property, the progress of construction of the Improvements and to inspect the Project for compliance with the terms of this Agreement.

12. BOOKS AND RECORDS

The Owner shall keep and maintain, and shall give access to the Lender and its representatives during reasonable

business hours to inspect, copy, audit and examine, accurate books, records, accounts and other documents relating to the Project, including but not limited to those relating to receipt and disbursement of any portion of the Funds Loan; costs of constructing, furnishing, and equipping the Project; and construction hiring.

13. COMPLIANCE WITH GOVERNMENTAL REGULATIONS

The Owner shall conform to and comply with all applicable restrictions, building codes and zoning ordinances, rules, executive orders, and regulations (as they may be affected by applicable variances) of the United States, the Commonwealth of Massachusetts, the City of Boston, Massachusetts, and of any other governmental division, board, or officer having jurisdiction over the Project.

Notwithstanding the foregoing provisions of this Section, the failure by the Owner to comply with any such restriction, code, ordinance, rule, order or regulation for a period not in excess of the earlier of (i) the date by which compliance is required in any notice of violation, or (ii) thirty (30) days after the date of such notice, shall not be deemed to be a default by the Owner hereunder if there shall be no cessation of construction or operation of the Project and the Owner is not otherwise in default hereunder and shall, within such period, commence to cure such violation and thereafter diligently prosecute such cure to completion; provided, however, that the Lender shall not be obligated to make any advance of any portion of the Funds Loan hereunder while such violation remains uncorrected unless a bond or other security reasonably satisfactory to the Lender is provided. A bond or other security satisfactory to MHFA or the holder of any Refinancing Mortgage shall be satisfactory to the Lender hereunder.

14. INSURANCE

(a) During the Development Phase, the Owner shall maintain, or cause to be maintained, a policy of builder's risk insurance required by MHFA.

(b) During the Operations Phase and until the expiration or earlier termination of this Agreement, the Owner shall keep all of the insurable property and equipment in the Project insured by fire and extended insurance and additional risk insurance to the same extent and amount which is normally required by institutional mortgagees in the use of similar property and equipment in Boston, Massachusetts. Such insurance shall be in an amount sufficient to comply with the

coinsurance clause applicable to the location and character of the property or equipment, and, in any event, in the amount of the full replacement value of such property or equipment. All such insurance shall be by standard policies, obtained from financially sound and responsible insurance companies authorized to do business in the Commonwealth of Massachusetts, and shall have attached thereto a clause making the loss payable to the Lender, MHFA, the holder of any Refinancing Mortgage and the Owner, as their respective interests may appear. The Lender agrees that insurance with companies and in amounts satisfactory to MHFA or the holder of any Refinancing Mortgage shall be satisfactory to the Lender.

(c) All insurance policies required hereunder shall provide that any cancellation, change or termination thereof shall not be effective with respect to the Lender until after at least Ten (10) days prior notice has been given to the Lender to the effect that such insurance policies are to be cancelled, changed or terminated at a particular time. Certificates of each renewal policy shall be filed with the Lender at least Thirty (30) days prior to the expiration of the policy it renews.

15. NON-DISCRIMINATION

(a) The Owner shall not discriminate upon the basis of race, color, sex, age, religion, or national origin in the sale, lease, rental, use, or occupancy of the Project or any part thereof.

(b) The Owner shall not discriminate against any employee or applicant for employment in connection with the Project because of race, color, sex, age, religion or national origin. The Owner shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, sex, age, religion or national origin with respect to employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, selection for training or apprenticeship, and all other aspects of employment.

(c) The Owner shall include the provisions of Section 15(b) in every employment contract, whether union or non-union, and in every construction contract and management contract with respect to the Project, and shall require the inclusion of these provisions in every sub-contract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be. The Owner shall take such action with respect to any

construction contract, subcontract, or management contract as the Lender may reasonably direct as a means of enforcing such provisions, including sanctions for noncompliance.

(d) Records maintained by the Owner pertaining to race, color, religion, sex or national origin of tenants and applicants for tenancy in the Project shall be retained by the Owner for a period of at least Twenty-Five (25) months following the date the record was made, subject to the provisions of applicable law regarding the Owner's right to request and maintain such information.

16. DEFAULT BY OWNER

(a) The occurrence of any of the following shall be a default by the Owner under this Agreement:

(i) The failure by the Owner to complete the Project Improvements by the Completion Date;

(ii) The continuance for Ninety (90) days, or for thirty (30) days after receipt by the Owner of written notice from the Lender, of any failure in the payment of any sum due and payable under the Funds Note;

(iii) The institution by the Owner or by any guarantor of the Owner's obligations hereunder of any proceeding under the Federal Bankruptcy Act or any other Federal or state bankruptcy or insolvency law, in which such party is alleged to be insolvent or unable to pay its debts as they mature, or the making by such party of an assignment or trust mortgage for the benefit of its creditors;

(iv) The appointment of a receiver for a substantial portion of the property of the Owner or of any guarantor of the Owner's obligations hereunder, or the entering of any order in any proceeding against such party under the Federal Bankruptcy Act or any other Federal or state bankruptcy or insolvency law decreeing or permitting the dissolution of such party or the winding-up of its affairs, which proceeding, receivership or order remains undischarged for a period of ninety (90) days; or

(v) The occurrence of any assignment or transfer by the Owner of its interest in this Agreement in violation of Section 9 hereof;

(vi) The occurrence of any sale, lease, sublease, assignment, or other transfer by the Owner of its interest in the Property in violation of Section 10 hereof;

(vii) The failure by the Owner to purchase or maintain insurance as required by Section 14 of this Agreement;

(viii) The failure by the Owner to comply with the non-discrimination provisions of Section 15 of this Agreement;

(ix) Any representation or warranty made by the Owner in this Agreement or to be furnished to the Lender by or pursuant to this Agreement shall prove to have been false in any material respect when made or furnished; and

(x) A material failure by the Owner in the performance, keeping, or observing of any other covenant, condition, or agreement contained in the MHFA Mortgage or any Refinancing Mortgage or in any instrument secured thereby or collateral thereto, or in this Agreement, the Funds Note, the Funds Mortgage or the Funds Security Agreement continuing beyond any applicable notice, grace and cure period.

(xi) The institution by MHFA or any holder of a Refinancing Mortgage of foreclosure proceedings against the Project.

(b) Except in the event of the continuance for ninety (90) days of any failure by the Owner to pay sums due and payable under the Funds Note as described in Section 16(a)(ii), which shall constitute an Event of Default hereunder without notice, the Lender shall give written notice to the Owner of any default hereunder. If such default shall not have been cured within Thirty (30) days after receipt of such notice (or, except with respect to the defaults described in Sections 16(a)(iii)-(vi), if such default cannot reasonably be cured within said Thirty (30) day period, action has not been commenced by the Owner within said period to cure the same and thereafter continued diligently until such default is cured), then, upon the expiration of any applicable cure period (or, if there is no such applicable cure period, upon the giving of such notice), an Event of Default shall be deemed to have occurred hereunder and, subject to the provisions of Section 16(c), the Lender shall thereupon have the remedies provided in Section 17 hereof.

(c) In the event the Lender shall declare the accrued interest on, and the outstanding principal balance of, the Funds Note to be immediately due and payable by reason of the continuance for Thirty (30) days after notice thereof of

failure by the Owner to pay sums due and payable under the Funds Note as described in Section 16(a)(ii), such declaration shall not be effective and the default caused by such failure shall be cured if, within Five (5) business days from the date of delivery of such notice, the Owner shall have cured such failure.

(d) For the purposes of any of the provisions of this Agreement, neither the Owner nor the Lender, as the case may be, shall be considered in default of their respective obligations in the event of unavoidable delay in the performance of such obligations due to causes reasonably beyond their respective control and without their respective fault or negligence, including but not restricted to acts of God or of the public enemy, acts or omissions of the Federal, state or (in the case of the Owner but not the Lender) local government, acts or omissions of the other party, fires, floods, or other casualties, epidemics, quarantine restrictions, labor disputes, freight embargoes, unusually severe weather, or delays of subcontractors, suppliers or materialmen due to such causes. In the event of the occurrence of any such enforced delay, the time or times for performance of such obligations shall be extended for the period of the enforced delay; provided, however, that the party seeking the benefit of the provisions of this Section 16(d) shall, within a reasonable period after the beginning of any such enforced delay, have first notified the other party thereof in writing stating the cause or causes thereof, the obligation of such party which is delayed thereby and the estimated period of the extension. In no event shall any financing difficulty be a cause for an extension hereunder, except for a delay by (i) MHFA in advancing Funds to the Owner; (ii) the Lender or its designee in approving a request for an advance of any portion of the Funds Loan hereunder; (iii) the Lender or its designee in advancing any portion of the Funds Loan to the Owner hereunder; or (iv) MHFA in approving a request for an advance of MHFA Loan funds.

17. REMEDIES IN EVENT OF DEFAULT

(a) Upon the occurrence of an Event of Default, the Lender may (subject to the rights of MHFA pursuant to the provisions of Section 7(e) hereof):

(i) Terminate this Agreement;

(ii) Suspend or terminate the advances required by Section 5 of this Agreement (except as to any advance pursuant to a request made prior to the occurrence of an Event of Default);

(iii) Declare the accrued interest on, the principal balance of, and any other sums due under, the Funds Note to be immediately due and payable;

(iv) Exercise any right or remedy which is available to the Lender under the Funds Note, the Funds Mortgage or the Funds Security Agreement; and

(v) Exercise any other right or remedy available to the Lender under any other instrument or at law or in equity, including actions or proceedings to compel specific performance and payment of all damages, expenses, and costs.

(b) The Owner shall pay to the Lender all reasonable costs and expenses, including attorneys' fees, and the amounts of all judgments and decrees, which may be incurred by the Lender in any proceedings brought to enforce the obligations of the Owner set forth in this Agreement, the Funds Note, the Funds Mortgage or the Funds Agreement, and all amounts so incurred may, at the Lender's option, be added to the debt evidenced by the Funds Note.

18. DEFAULT IN PAYMENT OF SUPERIOR DEBT

(a) In the event and during the continuation of any default by the Owner in the payment when due of the principal of (or premium, if any) or any interest on any Superior Debt, as such term is defined in Section 18(c), or any default (as defined in the instrument evidencing or securing such Superior Debt) which, with notice or the passage of time, or both, would permit any holder or holders of the Superior Debt to accelerate the maturity thereof, of which default written notice shall have been given to the Owner by the holder of such Superior Debt if required under the terms of such instrument, the Owner shall not be obligated to make any payments on account of the principal of, or interest on, the Funds Note.

(b) In the event payment of the Funds Note is accelerated because of the occurrence of any Event of Default (under circumstances when the provisions of Section 18(a) shall not be applicable) the holders of Superior Debt outstanding at the time the Funds Note becomes due and payable because of such occurrence of an Event of Default shall be entitled to receive payment in full of all outstanding principal of (and premium, if any) and accrued interest on all Superior Debt, payment of which is then due, whether by maturity or acceleration, before the Lender is entitled to receive any payment on account of the principal of, or interest on, the Funds Note.

(c) "Superior Debt" shall mean the indebtedness of the Owner secured by the MHFA Mortgage or any Refinancing Mortgage. Except as expressly set forth herein, nothing in this Section 18 shall affect or impair the rights of the Lender as holder of the Funds Mortgage.

19. CONSISTENCY WITH NOTE AND MORTGAGE

Any provision of this Agreement which may be inconsistent with any provision of the Funds Note, the Funds Mortgage, or any other instrument given to secure the Funds Note or this Agreement, shall nevertheless be given full force and effect and be controlling over such provisions of the Funds Note, the Funds Mortgage or other such instrument.

20. NONRECOURSE

Notwithstanding any contrary provision hereof, the Funds Loan contemplated hereby shall be made without recourse to the personal assets of any general or limited partner of the Owner, or of any of the Owner's successors or assigns. In no event shall any general or limited partner of the Owner or of any such successor or assign have any personal liability for the payment of any sum of money which is or may become payable by the Owner hereunder or under any other document or instrument given by the Owner in connection herewith, and the Lender agrees to look only to the assets of the Owner specified herein or in such other document or instrument for any such payment.

21. RIGHTS AND REMEDIES CUMULATIVE

The respective rights and remedies of the Owner and the Lender, whether provided by this Agreement, the Funds Note, the Funds Mortgage, the Funds Security Agreement or any other instrument given to secure the Funds Note or this Agreement, or by law, shall be cumulative, and the exercise of any one or more of such rights and remedies shall not preclude the exercise, at the same or different times, of any other such rights or remedies.

22. WAIVERS

No course of dealing by the Lender, or delay in accelerating the maturity of the Funds Note following the occurrence of an Event of Default or in taking any other action with respect to an Event of Default shall affect the Lender's rights later to so accelerate the Funds Note or take such action, and no waiver of any term, provision or condition of this Agreement or of the Funds Note, the Funds Mortgage, the Funds Security Agreement or any other instrument given to

secure the Funds Note or this Agreement shall affect any other such term, provision or condition not specifically waived, nor shall such waiver in any instance be construed as a waiver of the same term, provision or condition in other or subsequent instances.

23. AMENDMENT

This Agreement may be waived, changed, or discharged only by a written agreement signed by the party against whom enforcement of such waiver, change, or discharge is sought, and shall be subject to the prior written approval, if required, of MHFA or the holder of any Refinancing Mortgage.

24. SEPARABILITY

Each and every covenant and agreement contained in this Agreement is and shall be construed to be a separate and independent covenant and agreement. If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid and unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and shall be enforced to the extent permitted by law.

25. SUCCESSORS AND ASSIGNS; DISCLAIMER OF RELATIONSHIPS

(a) The provisions of this Agreement shall be binding upon, and shall inure to the benefit of, the respective successors and assigns of the Lender and, subject to the provisions hereof, the Owner, MHFA, and the holder of any Refinancing Mortgage.

(b) Nothing contained in this Agreement, nor any act of MHFA, the Lender or the Owner, shall be deemed or construed by any of such parties, or by third persons, to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving MHFA.

26. NOTICES

All notices required or permitted to be given under this Agreement shall be in writing, signed by a duly authorized officer of the Owner, the Lender or MHFA, as the case may be, and shall be deemed delivered if mailed, postage prepaid, by registered or certified mail, return receipt requested, or delivered by hand to the principal office of the party to which

it is directed, which is as follows unless otherwise designated by written notice to the other party:

The Lender: Boston Redevelopment Authority
Boston City Hall
Boston, Massachusetts
Attention: Director

with copies to: Legal Department,
Boston Redevelopment Authority
Boston City Hall
Boston, Massachusetts;

The Owner Cass House Associates Limited Partnership
1 John Eliot Square, Cox Building
Roxbury, Massachusetts 02119
Attention: Mr. John B. Cruz, III,
General Partner;

with a copy to: Howard E. Cohen, Esq.
Mintz, Levin, Cohn, Ferris
Glovsky and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111;

MHFA: Massachusetts Housing Finance Agency
50 Milk Street
Boston, Massachusetts 02109
Attention: Executive Director;

with a copy to: Massachusetts Housing Finance Agency
50 Milk Street
Boston, Massachusetts 02109
Attention: Mr. Donald Davis,
Mortgage Officer.

All notices, approvals, instructions, authorizations, determinations, waivers, or other actions required or permitted under this Agreement on the part of the Lender shall be by the Director of the Boston Redevelopment Authority, or any person designated by him or her by notice to the Owner and MHFA.

27. SECTION TITLES TO BE DISREGARDED

The titles of the several Sections of this Agreement are for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions of this Agreement.

28. MASSACHUSETTS CONTRACT

This Agreement is to be construed as a Massachusetts contract and the terms hereof shall be governed by the Laws of the Commonwealth of Massachusetts.

29. EXHIBITS

The following are Exhibits A through F referred to herein and hereby made a part hereof.

IN WITNESS WHEREOF, the parties have caused this Housing Loan Agreement to be signed, sealed, and delivered by their respective duly authorized representatives, as of the date first written above.

CASS HOUSE ASSOCIATES LIMITED PARTNERSHIP,
Owner

By: _____
John B. Cruz, III, General Partner

BOSTON REDEVELOPMENT AUTHORITY

By: _____

Title: Director

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss. _____, 1986

On this date, appeared before me the above named John B. Cruz, III, the General Partner of Cass House Associates Limited Partnership, who executed the foregoing instrument on behalf of the said limited partnership and acknowledged the same to be his free act and deed and the free act and deed of the said limited partnership.

Notary Public

My Commission Expires _____

5983C

MEMORANDUM

November 5, 1986

TO: BOSTON REDEVELOPMENT AUTHORITY AND
STEPHEN COYLE, DIRECTOR

FROM: WILLIAM WHITMAN, ASSISTANT TO THE DIRECTOR
KELLY D. KING, ASSISTANT GENERAL COUNSEL

SUBJECT: WASHINGTON PARK URBAN RENEWAL AREA PROJECT NO.
MASS. R-24 LAND LOAN TO ACQUIRE PARCELS I-6A,
I-6B, I-6C, I-6D AND H-9B

On December 19, 1985, the Authority approved the final designation of Cass House Associates Limited Partnership (the "Redeveloper") as Redeveloper of Disposition Parcels I-6a, I-6b, I-6c, I-6d and H-9b for the construction of one hundred and eleven (111) units of low-moderate income housing units in the Washington Park Urban Renewal Area.

The Authority also authorized the Director to enter into a Housing Loan Agreement to loan seven hundred - thousand (\$700,000.00) dollars to the Redeveloper said funds to come from the voluntary contribution from Lincoln Franklin Place, Ltd, for the purpose of project feasibility. The Housing Loan Agreement is attached.

In order to clarify and validate the terms and conditions of the Housing Loan Agreement by and between the Authority and the Redeveloper, the Authority is requested to approve a purchase money loan to the Redeveloper in order to facilitate the acquisition of the land. The loan is in the amount of one hundred fifty-eight thousand dollars (\$158,000) which represents a portion of the total cost to the Redeveloper to acquire the land from the Authority.

The land loan shall be evidenced by a Note and shall be secured by a Mortgage and Security Agreement. The land loan shall be repaid without interest on the date which is twenty-five years from the date the Funds Note is executed.

The Authority's staff has examined the cost of the project in detail and has determined that the land loan to the Redeveloper is necessary in order to permit the project to go forward.

An appropriate vote follows:

VOTED: That the terms and conditions of the document presented at this meeting entitled "Housing Loan Agreement", by and between the Boston Redevelopment Authority and Cass House Associates Limited Partnership be and hereby is approved.

LOCATION MAP

I-6-A I-6-B I-6-C I-6-D



PROJECT MASS R-24
LOCATION MAP
H-9-B

